

153 FERC ¶ 61,085
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Philip D. Moeller, Cheryl A. LaFleur,
Tony Clark, and Colette D. Honorable.

Entergy Louisiana Power, LLC

Docket No. ES15-59-000

ORDER AUTHORIZING ISSUANCES OF SECURITIES

(Issued October 23, 2015)

1. On August 24, 2015, Entergy Services, Inc. (Entergy Services), on behalf of Entergy Louisiana Power, LLC (Entergy Louisiana Power), filed an application pursuant to section 204 of the Federal Power Act (FPA)¹ (Application). Entergy Louisiana Power requests Commission authorizations to issue and sell securities and assume short-term and long-term obligations and liabilities during an authorization period commencing November 1, 2015 through October 31, 2017 (Authorization Period). We will grant the requested authorizations, as discussed below.

I. Application

A. Background

2. Entergy Louisiana Power states that it will become a public utility upon completion of the business combination of Entergy Gulf States Louisiana, L.L.C. (Entergy Gulf States) and Entergy Louisiana, LLC (Entergy Louisiana). Through the business combination, Entergy Gulf States and Entergy Louisiana will combine substantially all of their respective assets and liabilities into a single successor public utility, Entergy Louisiana Power.² Following completion of the business combination,

¹ 16 U.S.C. § 824c (2012).

² The business combination was previously authorized under FPA section 203, 16 U.S.C. § 824b (2012). *See Entergy Gulf States Louisiana, L.L.C. and Entergy Louisiana, LLC*, 151 FERC ¶ 62,018 (2015). Entergy Louisiana Power was formed on July 7, 2015 and will operate exclusively in Louisiana. Application at 4. Entergy Gulf States and (*continued ...*)

Entergy Louisiana Power states that it will be a public utility and an indirect majority-owned subsidiary of Entergy Corporation. Entergy Louisiana Power states it will provide retail and wholesale electric service to customers in portions of Louisiana and retail natural gas service to customers in portions of Louisiana.

3. After completion of the business combination, Entergy Louisiana Power states that it will also own and operate transmission facilities and will be a transmission-owning member of Midcontinent Independent System Operator, Inc. (MISO). Entergy Louisiana Power states that MISO will operate Entergy Louisiana Power's transmission facilities and that open access transmission service over Entergy Louisiana Power's facilities will be provided pursuant to MISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff.

4. Entergy Louisiana Power notes that it is currently authorized to issue and sell securities and assume short-term and long-term obligations and liabilities from the date it becomes a public utility through October 31, 2015.³

B. Entergy Louisiana Power's Request

5. Entergy Louisiana Power requests authorizations to issue and sell Preferred Securities; to assume Long-Term Debt; to issue notes and other securities, including common membership interests, in connection with capital contributions and non-interest bearing open account advances; to issue Short-Term Debt; to provide MISO with Letters of Credit; and to consent to borrowings by special purpose entities in connection with nuclear fuel leases.

Entergy Louisiana filed a Notice of Consummation of Transaction in Docket No. EC15-47-000 on October 9, 2015.

³ See *Entergy Services Inc.*, 151 FERC ¶ 61,204 (2015) (Entergy Authorization Order). In the Entergy Authorization Order, the Commission granted FPA section 204 authorization to Entergy Louisiana Power to issue and sell preferred membership interests (Preferred Securities); to assume long-term obligations and liabilities (Long-Term Debt); to issue notes and other securities, including common membership interests, in connection with capital contributions and non-interest bearing open account advances; to issue short-term debt securities having a maturity of not more than one year in the form of promissory notes, commercial paper, or other forms of short-term debt securities (Short-Term Debt); to provide letters of credit as collateral securities in connection with its membership in MISO (Letters of Credit); and to consent to borrowings by special purpose entities in connection with nuclear fuel leases.

6. Entergy Louisiana Power states that it will use the proceeds of the Preferred Securities, Long-Term Debt, and Short-Term Debt for a variety of lawful uses in furtherance of its operation as a public utility including financing the acquisition, construction, modification and/or construction of utility facilities, financing operations and maintenance activities, satisfying working capital needs, meeting long-term debt maturities, and refinancing or refunding existing debt. Entergy Louisiana Power requests authority under FPA section 204 to issue and sell securities and to assume short-term and long-term obligations and liabilities during the Authorization Period in the forms listed below.

1. Preferred Securities

7. Entergy Louisiana Power requests authorization to issue Preferred Securities during the Authorization Period in an aggregate amount not to exceed \$200 million.⁴ Entergy Louisiana Power states that such Preferred Securities may take the form of shares of units of preferred membership interests or units of preference membership.⁵ Entergy Louisiana Power states that such securities may be issued in public or privately negotiated transactions, may have a fixed or floating distribution rate, and that the terms of such securities will be subject to negotiation and agreement at the time of issuance.

8. Entergy Louisiana Power states that, if it issues Preferred Securities, such securities will have distribution rates as follows: (i) for Preferred Securities entitled to distributions at a fixed rate, the rate will not exceed ten percent per annum, and (ii) for Preferred Securities entitled to distributions at a variable rate, the rate will not exceed 400 basis points above any of the following rates for loans, (x) the 1-month, 2-month, 3-month, 6-month, or 12-month London Interbank Offered Rate (LIBOR), or (y) the prime rate or the Federal Funds Rate, as identified in the Wall Street Journal, provided that if such Preferred Securities are entitled to distributions derived from a prime rate or Federal Funds Rate other than the average prime rate or Federal Funds Rate identified in the Wall Street Journal, Entergy Louisiana Power will make available upon request to its treasurer a copy of the note or instrument that identifies such distribution rate.⁶

⁴ Application at 13.

⁵ Entergy Louisiana Power anticipates that it will not issue Preferred Securities during the Authorization Period but requests authority to do so in the event it is necessary or prudent to undertake such issuances. *Id.* at 6.

⁶ *Id.* at 15.

2. Long-Term Debt

9. Entergy Louisiana Power requests authorization to issue Long-Term Debt in an aggregate principal amount, including current maturities thereof, outstanding not to exceed \$6.75 billion.⁷ Such Long-Term Debt may take the form of one or more series of mortgage bonds, notes, debentures, credit agreements, agreements to make payments sufficient to pay government bonds issued on its behalf, and other forms of Long-Term-Debt instruments.⁸ Entergy Louisiana Power states that it proposes to issue Long-Term Debt that may be either secured or unsecured, may have maturities in excess of one year but not more than sixty years from the time of issuance, may have a fixed or floating interest rate, and may be issued in public or privately negotiated transactions. Entergy Louisiana Power states that any Long-Term Debt issued pursuant to the authorizations requested will be subject to the four restrictions on such securities specified in *Westar Energy, Inc.*⁹

10. Entergy Louisiana Power explains that revolving credit arrangements with terms in excess of one year are included in the definition of Long-Term Debt for purposes of this Application. Entergy Louisiana Power states that, even though amounts may be borrowed and repaid throughout the term of the arrangement, the borrowings are treated as Long-Term Debt since borrowing does not mature and become due and payable until the expiration of the term of the agreement, which is typically three to five years from the date from which the arrangement was entered into. Entergy Louisiana Power proposes to treat the full amount of the debt that may be borrowed under such an arrangement as having been issued when such arrangement is entered into. Entergy Louisiana Power therefore requests authorization to treat the full amount of the debt that is borrowed under such an arrangement as having been issued when the agreement is entered into, and to incur such borrowings under such revolving credit arrangements after the end of the Authorization Period so long as Entergy Louisiana Power would have been authorized to borrow the full amount of such debt when the arrangement was entered into.¹⁰

11. Entergy Louisiana Power states that Long-Term Debt issued by it will bear interest as follows: (i) for Long-Term Debt that bears interest at a fixed rate, the rate will not exceed seven percent per annum, and (ii) for Long-Term Debt that bears interest at a variable rate, the rate will not exceed 400 basis points above any of the following rates

⁷ *Id.* at 13.

⁸ *Id.* at 6.

⁹ 102 FERC ¶ 61,186, *order on reh'g*, 104 FERC ¶ 61,018 (2003) (*Westar*).

¹⁰ Application at 7.

for loans, (x) the 1-month, 2-month, 3-month, 6-month or 12-month LIBOR or commercial paper rate, or (y) the prime rate or the Federal Funds Rate, as identified in the Wall Street Journal, provided that if a lender arranges such Long-Term Debt financing for Entergy Louisiana Power at a prime rate or Federal Funds Rate other than the average prime rate or Federal Funds Rate identified in the Wall Street Journal, Entergy Louisiana Power will make available upon request to its treasurer a copy of the note or instrument that identifies such interest rate.¹¹

3. Notes or Other Securities in Connection With Capital Contributions and Non-Interest Bearing Open Account Advances

12. Entergy Louisiana Power requests authorization to issue notes or other securities, including common stock, in connection with capital contributions and non-interest bearing open account balances received from its parent or other affiliates, without limitation.¹² Entergy Louisiana Power explains that its request for authority to issue notes or other securities in connection with capital contributions and non-interest bearing open account balances does not constitute a request for authority to participate in a money pool or cash management arrangement.¹³

4. Short-Term Debt

13. Entergy Louisiana Power requests authorization to issue Short-Term Debt in an aggregate principal amount that shall not exceed \$450 million outstanding at any one time.¹⁴ Entergy Louisiana Power states that Short-Term Debt that may consist of any type of debt securities having maturities of not more than one year. Entergy Louisiana Power states that it expects the Short-Term Debt will primarily be in the form of the following:

- (1) **Money Pool Borrowing.** Entergy Louisiana Power states that Entergy Services and certain of its affiliates maintain a cash management arrangement (Money Pool) as the primary mechanism for funding the working capital needs of the

¹¹ *Id.* at 14-15.

¹² *Id.* at 8 (citing *National Grid USA*, 115 FERC ¶ 61,241 (2006)).

¹³ *Id.*

¹⁴ *Id.* at 13.

Entergy Operating Companies¹⁵ and certain non-utility affiliates (Money Pool Participants). Entergy Louisiana Power states that it may make unsecured short-term borrowings from other Money Pool Participants pursuant to a money pool agreement.¹⁶

(2) External Borrowing. Entergy Louisiana Power states that it may establish secured or unsecured lines of credit with various commercial banks either individually or on a consolidated basis with one or more of the Entergy Operating Companies. Entergy Louisiana Power may also issue, reissue, and sell commercial paper. Entergy Louisiana Power states that, for purposes of the Application, revolving credit arrangements with terms of less than one year are included within the definition of Short-Term Debt.¹⁷

(3) Other Intrasystem Short-Term Borrowing Arrangements. Entergy Louisiana Power may enter into direct unilateral short-term borrowing arrangements whereby Entergy Louisiana Power borrows from its parent on a secured or unsecured basis.

14. Entergy Louisiana Power states that any Short-Term Debt issued pursuant to the authorizations requested in the Application will be subject to the four restrictions on such securities specified in *Westar*.

15. Entergy Louisiana Power states that Short-Term Debt will bear interest at rates as follows: (i) for Short-Term Debt that bears interest at a fixed rate, the rate will not exceed 5.5 percent per annum, and (ii) for Short-Term Debt that bears interest at a variable rate, the rate will not exceed 400 basis points above any of the following rates for loans, (x) the 1-month, 2-month, 3-month, 6-month or 12-month LIBOR, or (y) the

¹⁵ The Entergy Operating Companies include: Entergy Arkansas, Inc.; Entergy Louisiana Power; Entergy Mississippi, Inc.; Entergy New Orleans, Inc.; and Entergy Texas, Inc.

¹⁶ Commission-Regulated entities are required to file their cash management agreements with the Commission. *See* 18 C.F.R. § 141.500 (2015). The information provided is used to aid the Commission in monitoring cash management programs. The rule is not in the nature of a regulation governing participation in cash management programs. Therefore, this order does not address any request for authorization to participate in a cash management program. *See Regulation of Cash Management Practices*, Order No. 634-A, FERC Stats. & Regs. ¶ 31,152 (2003) (cross-referenced at 105 FERC ¶ 61,098 (2003)).

¹⁷ Application at 9.

prime rate or the Federal Funds Rate, as identified in the Wall Street Journal, provided that if a lender arranges such Short-Term Debt financing for Entergy Louisiana Power at a prime rate or Federal Funds Rate other than the average prime rate or Federal Funds Rate identified in the Wall Street Journal, Entergy Louisiana Power will make available upon request to its treasurer a copy of the note or instrument that identifies such interest rate.¹⁸

5. Letters of Credit

16. Entergy Louisiana Power explains that, pursuant to MISO's credit rules, entities that participate in MISO's markets and settlement processes (MISO Market Participants) are obliged to post collateral security obligations to MISO through the MISO settlement process for market transactions. Entergy Louisiana Power states that it will use the Letters of Credit to satisfy these obligations. Entergy Louisiana Power will be a MISO Market Participant following completion of the Business Combination and will be obligated to post collateral to secure its obligations to MISO. Entergy Louisiana Power explains that it will assume any Letters of Credit provided by Entergy Gulf States and Entergy Louisiana. Entergy Louisiana Power requests authority to enter into Letters of Credit in the amount of up to \$170 million.¹⁹

17. Entergy Louisiana Power will arrange for the Letters of Credit through banks and other lenders and will pay fees to those providers. Entergy Louisiana Power states that it will pay its obligations to MISO on a timely basis, but if MISO draws on the Letters of Credit to pay an amount owed by Entergy Louisiana Power, Entergy Louisiana Power will be obligated to reimburse the issuer of the Letter of Credit for the amount of the drawing. In such event, Entergy Louisiana Power states that it will be able to recover such amount from its customers through its retail rates on a pass-through basis because any such amounts will represent payments for services that it will procure from MISO to serve its customers. Entergy Louisiana Power states that it will also be able to recover through rates the fees that it will pay its Letter of Credit providers.²⁰

6. Consent to Borrowings by Nuclear Fuel Special Purpose Entities

18. Entergy Louisiana Power requests authorization to consent to borrowings by its affiliated nuclear fuel special purpose entities organized for the purpose of acquiring

¹⁸ *Id.* at 16.

¹⁹ *Id.* at 14.

²⁰ Entergy Louisiana Power proposes to charge Account 557, Other Expenses, for Letter of Credit fees. *Id.* n.16.

nuclear fuel and leasing such nuclear fuel to Entergy Louisiana Power for use in its nuclear plants (Nuclear Fuel Special Purpose Entity).²¹ Entergy Louisiana Power states that seeks authorization to consent to borrowings by Entergy Gulf States' and Entergy Louisiana's Nuclear Fuel Special Purpose Entities, River Bend Fuel Services, Inc. (River Bend Fuel) and River Fuel Company # 2, Inc. (River Fuel #2), respectively.²² Entergy Louisiana Power requests authorization to consent to borrowings by River Bend Fuel and River Fuel #2 in amounts such that the aggregate principal amount of borrowings by each entity outstanding upon the issuance of the debt will not exceed \$350 million for River Bend Fuel and \$250 million for River Fuel #2. Under each nuclear fuel lease, Entergy Louisiana Power is unconditionally obligated to make rental payments in amounts sufficient to cover River Bend Fuel's and River Fuel #2's debt service, fees, and other amounts required to reimburse River Bend Fuel and River Fuel #2 for their obligations, costs, or expenses incurred in connection with the nuclear fuel leases.

19. Entergy Louisiana Power proposes that debt issued by the River Bend Fuel and River Fuel #2 will bear interest at rates as follows:²³ (i) for borrowings that bear interest at a fixed rate, the rate will not exceed eight percent per annum, and (ii) for borrowings that bear interest at a variable rate, the rate will not exceed 400 basis points above any of the following rates for loans, (x) the 1-month, 2-month, 3-month, 6-month or 12-month LIBOR, or (y) the prime rate or the Federal Funds Rate, as identified in the Wall Street

²¹ *Id.* at 10-11. Entergy Louisiana Power states that, while it does not formally guarantee borrowings by River Bend Fuel and River Fuel #2, its obligations under the fuel leases "may be considered to be in the nature of a guarantee." *Id.* at 12. Accordingly, out of an abundance of caution, Entergy Louisiana Power is requesting approval under FPA section 204(a) of such obligations. *Id.*

²² Entergy Louisiana Power states that it will lease or purchase nuclear fuel from these River Bend Fuel and River Fuel #2 under two separate nuclear fuel leases, each relating to the fuel used at River Bend Fuel's and River Fuel #2's respective nuclear power plants.

²³ As noted earlier, Entergy Louisiana Power seeks authorization to consent to borrowings by River Bend Fuel and River Fuel #2, respectively. The Application, however, only proposes rates for the debt issued by an unidentified Nuclear Fuel Special Purpose Entity, River Fuel #1. River Fuel #1 is the Nuclear Fuel Special Purpose Entity for which Entergy Arkansas, Inc. seeks authorization to consent to borrowings by in an application filed in Docket No. ES15-58-000. We assume that Entergy Louisiana Power intended for the proposed rates in the Application to apply to Entergy Gulf States' and Entergy Louisiana's Nuclear Fuel Special Purpose Entities, River Bend Fuel and River Fuel #2, rather than River Fuel #1. *See id.* at 11, 16.

Journal, provided that if a lender arranges such borrowings at a prime rate or Federal Funds Rate other than the average prime rate or Federal Funds Rate identified in the Wall Street Journal, Entergy Louisiana Power will make available upon request to its treasurer a copy of the note or instrument that identifies such interest rate.²⁴

C. Requests For Waiver

20. Entergy Louisiana Power requests waiver of the Commission's competitive bidding or negotiated placement requirements set forth in 18 C.F.R. §§ 34.2(a) and 34.2(c)(1), as applicable to the issuance of securities including Long-Term Debt.²⁵ Entergy Louisiana Power states that the successful placement of securities including Long-Term Debt may require the selection of specific underwriters, agents, or purchasers who are knowledgeable of Entergy Louisiana Power and highly qualified to be in such transactions.²⁶ Entergy Louisiana Power states that such firms have a significant interest in devoting the requisite efforts to the due diligence and marketing necessary for the placement of such securities on terms beneficial to Entergy Louisiana Power within the time schedules required to meet specific needs and that compliance with the competitive bidding or negotiated placement requirements would unduly restrict Entergy Louisiana Power's ability to rely on such firms. Therefore, Entergy Louisiana Power requests waiver of the requirements in order to provide the greatest possible flexibility in issuing securities.²⁷

II. Notice of Filing

21. Notice of the Application was published in the *Federal Register*, 80 Fed. Reg. 52,470 (2015), with interventions and protests due on or before September 14, 2015. None was filed.

²⁴ *Id.* at 16-17.

²⁵ Section 34.2 sets forth the Commission's method of issuance requirements. It states, in part, that utilities may issue securities by either a competitive bid or negotiated placement, provided that competitive bids are obtained from at least two prospective dealers, purchasers or underwriters or negotiated offers are obtained from at least three prospective dealers, purchasers or underwriters. *See* 18 C.F.R. § 34.2(a) (2015). These requirements do not apply to short-term debt securities.

²⁶ Application at 29.

²⁷ *Id.* at 29-30.

III. Discussion

22. FPA section 204(a) provides that requests for authorization to issue securities or to assume any obligation or liability as guarantor, indorser, surety, or otherwise in respect of any security of another person shall be granted if the Commission finds that the issuance or assumption: (1) is for some lawful object, within the corporate purposes of the applicant and compatible with the public interest, which is necessary or appropriate for or consistent with the proper performance by the applicant of service as a public utility and which will not impair its ability to perform that service; and (2) is reasonably necessary or appropriate for such purposes.²⁸

23. In reviewing an application under FPA section 204, the Commission utilizes an interest coverage ratio calculation to determine whether the issuances for which authorization are sought “will not impair [a public utility’s] ability to perform” service as a public utility.²⁹ The Commission typically bases its finding that proposed issuances of securities will not impair an applicant’s ability to perform service as a public utility in part upon the applicant’s demonstration that it will have an interest coverage ratio that is 2.0 or higher.³⁰ In making this finding, the Commission reviews the financial statements submitted with an application filed under FPA section 204 and applicant’s calculation of the interest coverage ratio, which is the sum of income before interest and income taxes divided by total interest expense.³¹ The interest coverage ratio is a screen test used primarily to provide the Commission with comfort that the financing authorized will not impair an applicant’s ability to perform public utility service.³² The Commission has stated, however, that whether or not an applicant meets the 2.0 interest coverage ratio screen does not by itself determine whether the Commission will authorize or deny the

²⁸ 16 U.S.C. § 824c(a) (2012).

²⁹ See, e.g., *Old Dominion Electric Cooperative*, 145 FERC ¶ 61,132, at P 12 (2013); *Startrans IO, L.L.C.*, 122 FERC ¶ 61,253, at P 18 (2008) (*Startrans*).

³⁰ *Startrans*, 122 FERC ¶ 61,253 at P 18 (stating that “this screen is a mid-way number in a range that has been used by lenders and borrowers and provides a buffer against unforeseen, adverse financial events that might impair Startrans IO’s ability to perform as a public utility”).

³¹ *Westar*, 102 FERC ¶ 61,186 at P 15 n.15.

³² *Montana Alberta Tie Ltd.*, 128 FERC ¶ 61,217, at P 16 (2009) (citing *Startrans*, 122 FERC ¶ 61,253 at P 18). The Commission has also described the interest coverage ratio as a measure of a utility’s ability to meet future debt and interest payments. *Westar*, 102 FERC ¶ 61,186 at P 15.

application.³³ The Commission has approved FPA section 204 applications that have not met the 2.0 interest coverage ratio threshold.³⁴

24. Entergy Louisiana Power notes that it has not yet undertaken any business activities at the time of filing. As such, Entergy Louisiana Power has filed, as Exhibits C, D, and E, actual and *pro forma* financial statements based on the financial statements of Entergy Gulf States and Entergy Louisiana as of the 12 months that ended June 30, 2015. Entergy Louisiana Power states that, because it will be a combination of substantially all of the assets and liabilities formerly owned by Entergy Gulf States and Entergy Louisiana, it is appropriate to utilize the combination of Entergy Gulf States' and Entergy Louisiana's financial statements as a basis for FPA section 204 authorization.³⁵ Under the *pro forma* financial statements provided, Entergy Louisiana Power states its interest coverage ratio is 2.2, which exceeds the Commission's interest coverage ratio benchmark of 2.0.

25. We find that the facts set forth in the Application demonstrate that the assumption of the obligations or liabilities described in the Application: (1) will be for lawful objects within the corporate purposes of Entergy Louisiana Power, and compatible with the public interest, necessary or appropriate for or consistent with the proper performance by Entergy Louisiana Power of service as a public utility, and will not impair its ability to perform that service; and (2) is reasonably necessary or appropriate for such purposes.³⁶

26. Entergy Louisiana Power is authorized to issue Preferred Securities in an aggregate amount not to exceed \$200 million, Long-Term Debt in an aggregate amount not to exceed \$6.75 billion, Notes or Other Securities in Connection With Capital Contributions and Non-Interest Bearing Open Account Advances without limitation, Short-Term Debt in an aggregate amount not to exceed \$450 million outstanding at any one time, and Letters of Credit in an aggregate amount not to exceed \$170 million, and to consent to borrowings by River Bend Fuel in an aggregate amount not to exceed \$350 million and River Fuel #2 in an aggregate amount not to exceed \$250 million, during the Authorization Period beginning November 1, 2015, through October 31, 2017.

³³ See, e.g., *Startrans*, 122 FERC ¶ 61,253 at n.7.

³⁴ See, e.g., *NorthWestern Corp.*, 151 FERC ¶ 61,120 (2015); *ITC Great Plains, LLC*, 147 FERC ¶ 61,005 (2014); *Mississippi Power Co.*, 145 FERC ¶ 61,218 (2013).

³⁵ Application at 26.

³⁶ This order authorizes the consent to borrowings by River Bend Fuel and River Fuel #2 without making any determination of jurisdiction. See generally *Ocean State Power*, 47 FERC ¶ 61,321 (1989).

27. We will grant the requested waiver of the Commission's competitive bidding and negotiated placement requirements applicable to long-term debt. Consistent with the previous waiver granted to Entergy Louisiana Power, granting waiver will provide Entergy Louisiana Power with flexibility to issue its long-term debt on terms beneficial to Entergy Louisiana Power within the time schedules required to meet its specific needs.³⁷

28. In *Westar*, the Commission announced four restrictions on all future public utility issuances of secured and unsecured debt.³⁸ First, public utilities seeking authorization to issue debt backed by a utility asset must use the proceeds of the debt for utility purposes. Second, if any utility assets that secure debt issuances are divested or "spun off," the debt must follow the asset and also be divested or spun off. Third, if any of the proceeds from unsecured debt are used for non-utility purposes, the debt must follow the non-utility assets. Specifically, if the non-utility assets are divested or spun off, then a proportionate share of the debt must follow the divested or spun off non-utility asset. Finally, if utility assets financed by unsecured debt are divested or spun off to another entity, then a proportionate share of the debt must also be divested or spun off. In the Application, Entergy Louisiana Power acknowledges that any Long-Term Debt and Short-Term Debt issued pursuant to the authorization requested in the Application will be subject to the four restrictions on such securities specified in *Westar*, and which we impose here.³⁹

29. When Entergy Louisiana Power receives a non-interest bearing open account advance from a direct or indirect parent, an authorized representative from that company will, within 30 days of the date of the advance: (1) certify that, at the time of the advance, repayment of the funds advanced will not impair Entergy Louisiana Power's ability to perform as a public utility; and (2) certify the intended use or uses of the funds advanced. These certifications are to be retained in company files, and provided to the Commission or its staff upon request, for five years from the date the transaction is completed.

³⁷ Entergy Authorization Order, 151 FERC ¶ 61,204 at P 31.

³⁸ *Westar*, 102 FERC ¶ 61,186 at PP 20-21.

³⁹ *Id.*

The Commission orders:

(A) Entergy Louisiana Power is hereby authorized to issue Preferred Securities, Long-Term Debt, Notes or Other Securities in Connection With Capital Contributions and Non-Interest Bearing Open Account Advances, Short-Term Debt, and Letters of Credit, and consent to borrowings by its River Bend Fuel and River Fuel #2 in the amounts stated above in the body of this order. This authorization is approved based on the terms and conditions and for the purposes specified in the Application subject to the following terms and conditions.

(B) This authorization is effective November 1, 2015 through October 31, 2017.

(C) This authorization is subject to the restrictions specified in the body of this order and the restrictions on secured and unsecured debt as outlined in *Westar*.

(D) Entergy Louisiana Power is granted waiver from compliance with the Commission's competitive bidding and negotiated placement requirements at 18 C.F.R. §§ 34.2(a) and 34.2(c)(1) (2015).

(E) Entergy Louisiana Power must file a Report of Securities Issued, under 18 C.F.R. §§ 34.9, 131.43, and 131.50 (2015), no later than 30 days after the sale or placement of long-term debt or equity securities or enter into guarantees or assumptions of liabilities.

(F) The authorizations granted in this order are without prejudice to the authority of the Commission or any other regulatory body with respect to rates, service, accounts, valuation, estimates or determination of cost or any other matter whatsoever now pending or which may come before the Commission.

(G) Nothing in this order shall be construed to imply any guarantee or obligation on the part of the United States with respect to any security to which this order relates.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary